

FISCAL IMPACT STATEMENT ON BILL NO. **H.3906**

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TO:	The Honorable Robert Harrell, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	April 27, 2005	SBD:	2005451

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AUTHOR:	Representative Harrell	PRIMARY CODE CITE:	59-104-20
SUBJECT:	Palmetto Fellows Scholarship Program		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

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**BILL SUMMARY:**

This Bill would amend section 59-104-20 of the Code of Laws by adding two alternate qualifications in addition to those currently established for the Palmetto Fellows Scholarship. The Bill would also codify 5A.17 of the FY 2004-05 Appropriation Act.

**EXPLANATION OF IMPACT:**

The Commission on Higher Education (CHE) estimates the impact at \$1,174,700 annually for the two scholarship qualification additions. The first alternative specifies that if the top six percent of the class is not a whole number of students, CHE shall round up to the next whole number the number of students in determining Palmetto Fellows Scholarship eligibility. CHE identified 627 additional students eligible for the Palmetto Fellows award based on this criterion. However, since each of these students met the criteria for LIFE, the potential impact can be estimated at \$1,065,900 (difference between Palmetto Fellows and LIFE awards of \$1,700 x 627).

The second alternative allows students to qualify for the Palmetto Fellows award by scoring 1400 on the SAT and earning a 4.0 on the uniform grading scale at the end of their junior year without considering class rank. Based on Fall 2004 data, CHE determined that 64 students who received LIFE awards would have qualified for Palmetto Fellows awards. The estimated fiscal impact for this criteria change would be \$108,800 (\$1,700 x 64).

The impact on the General Fund of the State is at the discretion of the General Assembly. State General Funds and/or Lottery revenue may be used to cover the additional costs.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

None.

Approved by:



Don Addy  
Assistant Director, Office of State Budget